

UTAH COUNTIES INDEMNITY POOL

BOARD OF TRUSTEES MEETING

Thursday, January 16, 2014 12:30 p.m.

UCIP Offices, 10980 S. Jordan Gateway, South Jordan, UT

AGENDA

12:00 Lunch Provided

12:30 Call to Order

Bruce Adams

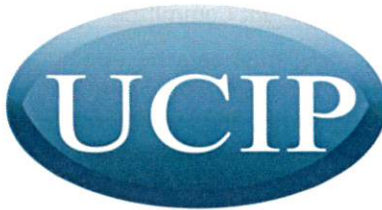
ITEM ACTION

1	Review/Excuse Board Members Absent	Bruce Adams
2	Review/Approve December 19, 2013 Meeting Minutes	Karla Johnson
3	Ratification and Approval of Payments and Credit Card Transactions	Karla Johnson
4	Review/Approve Conflict of Interest Disclosures	Bruce Adams
5	Review/Appoint Member(s) of the Law Enforcement Committee	Alden Orme
6	Review/Appoint Member(s) of the Litigation Management Committee	David Blackwell
7	Review/Appoint Member(s) of the Personnel Committee	Brad Dee
8	Consider Appointment of Open Board Position	Bruce Adams
9	Review Bylaws Regarding Non-County Membership	Johnnie Miller
10	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
11	Action on Personnel Matters	Bruce Adams
12	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
13	Action on Litigation Matters	David Blackwell

INFORMATION

14	Chief Executive Officer's Report	Johnnie Miller
15	Other Business	Bruce Adams

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240



BOARD OF TRUSTEES' MEETING MINUTES

January 16, 2014, 12:30 p.m.

Utah Counties Indemnity Pool Offices
10980 S. Jordan Gateway, South Jordan, UT

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Jim Eardley, *Vice President*, Washington County Commissioner
Karla Johnson, *Secretary/Treasurer* Kane County Clerk/Auditor
Alma Adams, Iron County Commissioner
David Blackwell, Emery County Attorney
Bill Cox, Rich County Commissioner
Kerry Gibson, Weber County Commissioner
Bret Millburn, Davis County Commissioner
Alden Orme, Juab County Sheriff
Seth Oveson, Carbon County Clerk/Auditor
Mike Wilkins, Uintah County Clerk/Auditor

BOARD MEMBERS TELEPHONICALLY

Brad Dee, Weber County Human Resources Director

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer

Call to Order

Bruce Adams called this meeting, of the Utah Counties Indemnity Pool's Board of Trustees, to order at 12:30 p.m. on January 16, 2014 and welcomed those in attendance.

Review/Excuse Board Members Absent

Jim Eardley made a motion to excuse Brad Dee from this meeting. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve December 19, 2013 Meeting Minutes

The minutes, of the Board of Trustees meeting held December 19, 2013, were previously sent to the Board Members for review (see attachment number one). Karla Johnson made a motion to approve the December 19, 2013 meeting minutes as written. Alma Adams seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

The payments made, the payments to be made and the credit card transactions were reviewed by the Board (see attachment number two). Karla Johnson made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. David Blackwell seconded the motion, which passed unanimously.

Review/Approve Conflict of Interest Disclosures

Karla Johnson disclosed that she provides consulting services to two entities that are insured by the Utah Local Governments Trust. Bret Millburn disclosed that he is a Board Member of the Utah Association of Counties. The Board duly noted that these conflicts were disclosed.

UTAH COUNTIES INDEMNITY POOL

PO Box 95730, South Jordan, UT 84095-0730

Phone (801)565-8500 ☎ Fax (801)568-0495 ☎ ucip.utah.gov

Review/Appoint Member(s) of the Law Enforcement Committee

Alden Orme recommended that the following members be appointed to the Law Enforcement Committee: Robert Dekker, Millard County Sheriff; Rick Eldredge, San Juan County Sheriff; Cameron Noel, Beaver County Sheriff; Cory Pulsipher, Washington County Sheriff; and Lamont Smith, Kane County Sheriff. Alden Orme made a motion to appoint Robert Dekker, Rick Eldredge, Cameron Noel, Cory Pulsipher and Lamont Smith to the Law Enforcement Committee. Karla Johnson seconded the motion, which passed unanimously.

Review/Appoint Member(s) of the Litigation Management Committee

David Blackwell recommended that Neal Geddes, Davis County Deputy Attorney; and Brody Kiesel, Sanpete County Attorney, be appointed to the Litigation Management Committee. David Blackwell made a motion to appoint Neal Geddes and Brody Kiesel as Members of the Litigation Management Committee. Bret Millburn seconded the motion, which passed unanimously.

Review/Appoint Member(s) of the Personnel Committee

In Brad Dee's absence, Sonya White explained that past practice has been to invite all Member County Personnel/HR Directors to participate in the Personnel Committee (see attachment number three). Mike Wilkins made a motion to appoint Member Personnel/HR Directors to the Personnel Committee. Alma Adams seconded the motion, which passed unanimously.

Elect 2014 Officers of the Board

Mike Wilkins made a motion to elect the current officers of the Board: Bruce Adams, President; Jim Eardley, Vice President; and Karla Johnson, Secretary/Treasurer, to serve in 2014. Seth Oveson seconded the motion, which passed unanimously.

Consider Appointment of Open Board Position

Bruce Adams recommended that this agenda item be postponed until all UCIP Members have approved and executed the Sixth Interlocal Cooperation Agreement.

Review Bylaws Regarding Non-County Membership

Johnnie Miller reported that in researching non-county membership he has found that the language used to define Public Agency 501c3 organizations no longer appear in the Interlocal Cooperation Act. The statute states that an interlocal entity is (a) separate from the public agencies that create it; (b) a body politic and corporate; and (c) a political subdivision of the state. If the entity is created in accordance with statute, the Bylaws could state such along with the entity providing their governing documents. Johnnie has tentatively identified entities covered as part of the County and entities that would be covered as a separate member (see attachment number four). Johnnie will work with the clerks on the Board and the Litigation Management Committee to determine those entities that are eligible for coverage and/or membership in the Pool and draft language to the Bylaws for the Board's review.

Set Date and Time for Closed Meeting

Jim Eardley made a motion to set the date and time for a closed meeting to discuss character, professional competence, physical/mental health of an individual for January 16, 2014 at 2:20 p.m. Kerry Gibson seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Bruce Adams, Jim Eardley, Karla Johnson, Alma Adams, David Blackwell, Bill Cox, Kerry Gibson, Bret Millburn, Alden Orme, Seth Oveson and Mike Wilkins. Also present was Johnnie Miller.

The regular meeting resumed at 2:40 p.m. on January 16, 2014.

Action on Personnel Matters

Jim Eardley made a motion approving a two percent cost of living adjustment to all UCIP employees and a two percent merit increase to Sonya White retroactive to January 1, 2014. Mike Wilkins seconded the motion, which passed, Seth Oveson opposed. Jim Eardley made a motion authorizing the hiring of a communication person. Mike Wilkins seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

David Blackwell made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation*. Alden Orme seconded the motion, which passed unanimously.

Action on Litigation Matters

David Blackwell made a motion to strike agenda item: *Action on Litigation Matters*. Alden Orme seconded the motion, which passed unanimously.

Chief Executive Officer's Report

Johnnie Miller reported that staff has been working with County Reinsurance Limited (CRL) underwriters for the reinsurance renewal. Johnnie has been invited to accompany CRL staff to meet with carriers in London.

Johnnie Miller explained that Davis County has requested higher cyber liability limits. CRL is providing higher limits for a premium that is one-fifth the cost of that provided through the standard market. Mike Wilkins recommended that all counties be offered an opportunity to increase their cyber liability limits. Johnnie will send a notice to all UCIP Members explaining that higher cyber liability limits are available at an additional cost.

Johnnie Miller discussed the following legislation he is working on with the Counties: 1) Pursuit Immunity; 2) Liability for Multi-Jurisdictional Activities; 3) Special Service Districts Liability; and 4) Bond issues.

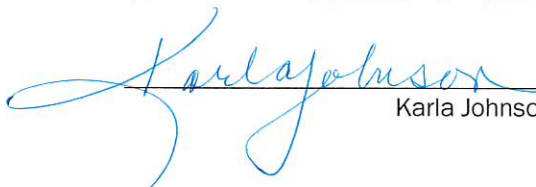
Johnnie Miller attended the monthly Sheriff's Association Meeting.

Johnnie Miller and UCIP Staff are working on preparations for the Utah Association of Counties Management Conference in April.

Other Business

The next meeting of the Board of Trustees will be held Thursday, February 20, 2014, 12:30 p.m. at the UCIP Offices, 10980 S. Jordan Gateway, South Jordan, Utah.

Approved on this 20th day of February 2014


Karla Johnson, Secretary/Treasurer

Entity: Utah Counties Indemnity Pool

Public Body: Board of Trustees

Subject: Administrative Services

Notice Title: Board of Trustees Meeting

Meeting Location: 10980 S. Jordan Gateway

South Jordan 84095

Notice Date & Time: January 16, 2014
12:30 PM - 3:00 PM

Description/Agenda:

Call to
Order
Review/Excuse Board Members Absent
Review/Approve December 19, 2013 Meeting Minutes
Ratification and Approval of Payments and Credit
Card Transactions
Review/Approve Conflict of Interest Disclosures
Review/Appoint Member(s) of the Law Enforcement
Committee
Review/Appoint Member(s) of the Litigation
Management Committee
Review/Appoint Member(s) of the Personnel
Committee
Consider Appointment of Open Board Position
Review Bylaws Regarding Non-County Membership
Set Date and Time for Closed Meeting
to Discuss Character, Professional Competence,
Physical/Mental Health of an Individual
Action on Personnel Matters
Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent
Litigation
Action on Litigation Matters
Chief Executive Officer's Report
Other Business

In compliance with the Americans with Disabilities Act,
individuals needing special accommodations (including auxiliary

**Notice of Special
Accommodations:**

communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, PO Box 95730, South Jordan, UT 84095-0730, or call 800-339-4070, at least three days prior to the meeting.

**Notice of Electronic or
telephone participation:**

Any Member of the Utah Counties Indemnity Pool Board of Trustees may participate telephonically.

Other information:**Contact Information:**

Sonya White
801-565-8500
sonya@ucip.utah.gov

Posted on:

January 16, 2014 07:40 AM

Last edited on:

January 16, 2014 07:40 AM

Printed from Utah's Public Notice Website (<http://pmn.utah.gov/>)

Utah Counties Indemnity Pool Payments

December 20, 2013 - January 16, 2014

Type	Date	Num	Name	Memo	Amount
ML Expense					
Liability Check	12/30/2013		QuickBooks Payroll Service	Created by Payroll Service on 12/17/2013	-10,584.13
Check	12/31/2013			Service Charge	-64.67
Liability Check	01/14/2014		QuickBooks Payroll Service	Created by Payroll Service on 01/10/2014	-10,053.60
Liability Check	12/30/2013	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270376475503336	-3,234.88
Liability Check	12/30/2013	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-1,536.71
Liability Check	12/30/2013	ONLINE	Utah State Tax Commission	Confirmation Number: 1-071-225-344	-1,720.91
Liability Check	12/31/2013	ONLINE	Utah Retirement Systems	Confirmation Number: 1220867330	-7,123.47
Liability Check	01/13/2014	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270441365718212	-4,011.78
Check	12/26/2013	VISA	Wells Fargo	Account Number: 4856 2002 0893 3427	-440.13
Check	12/26/2013	VISA	Wells Fargo	Account Number: 4856 2002 0207 3675	-2,845.76
Check	12/26/2013	VISA	Wells Fargo	Account Number: 4856 2002 0207 3691	-1,914.07
Check	12/30/2013	7010	PEHP-LTD	Coverage Period: DEC 2013	-216.22
Check	12/20/2013	7011	Bruce Adams	Mileage Reimbursement	-339.00
Check	12/20/2013	7012	Bret Millburn	Expense Reimbursement	-34.81
Check	12/20/2013	7013	Mike Wilkins	Mileage Reimbursement	-205.66
Check	12/20/2013	7014	Seth Oveson	Mileage Reimbursement	-116.39
Check	12/20/2013	7015	Dave Blackwell	Mileage Reimbursement	-176.28
Check	12/31/2013	7016	Public Employees Health Program	Policy Number 1076 (DEC)	-5,531.23
Liability Check	12/31/2013	7017	Nielsen & Senior	Invoice Number: 23440	-181.50
Bill Pmt -Check	12/31/2013	7018	Office Depot	Invoice Number: 689002675001	-113.80
Bill Pmt -Check	12/31/2013	7019	Paetec	Invoice Number: 6266111	-704.65
Bill Pmt -Check	01/01/2014	7020	Arthur J. Gallagher & Co.	Invoice Number: 748084	-25,475.00
Bill Pmt -Check	01/01/2014	7021	End Point Corporation	Invoice Number: UC1304	-60.00
Bill Pmt -Check	01/01/2014	7022	Society of CIC	Alliance Member: 1039119	-100.00
Bill Pmt -Check	01/01/2014	7023	US Postal Service	PO BOX 95730	-216.00
Bill Pmt -Check	01/01/2014	7024	Western AgCredit	Invoice Number: 1-2014	-10,471.00
Bill Pmt -Check	01/01/2014	7025	Workers Compensation Fund	Account Number: 3127814	-1,620,112.77
Check	01/10/2014	7026	Johnnie R. Miller	Expense Reimbursement	-27.12
Liability Check	01/10/2014	7027	Opticare of Utah	Invoice Number: 45182	-46.68
Bill Pmt -Check	01/10/2014	7028	Arthur J. Gallagher & Co.	Invoice Number: 762434	-3,393.85
Bill Pmt -Check	01/10/2014	7029	Carr Printing Co., Inc.	Invoice Number: 137338	-650.00
Bill Pmt -Check	01/10/2014	7030	Denise Thompson - HHB	Event Premium Refund	-2.00
Bill Pmt -Check	01/10/2014	7031	Mountain View Software	Invoice Number: 14761	-4,600.00
Bill Pmt -Check	01/10/2014	7032	Premiere Global Services	Invoice Number: 15203106	-161.60
Bill Pmt -Check	01/10/2014	7033	Revco Leasing Company, LLC	Invoice Number: 347739	-435.91
Bill Pmt -Check	01/10/2014	7034	UGFOA	Governmental Unit Membership (Sonya White)	-50.00
Bill Pmt -Check	01/10/2014	7035	Utah Association of Counties	Order Number: 236852622	-63.75
Bill Pmt -Check	01/10/2014	7036	Utah Division of Risk Management	Cyber Symposium Registration	-75.00
Bill Pmt -Check	01/10/2014	7037	Utah State Treasurer	Unclaimed Property	-0.75
Total ML Expense					-1,717,091.08
TOTAL					-1,717,091.08



STANDING COMMITTEES

COMMITTEES of the BOARD

AUDIT

Karla Johnson, *Chair*, Kane County Clerk/Auditor
Bill Cox, Rich County Commissioner
Seth Oveson, Carbon County Clerk/Auditor
Mike Wilkins, Uintah County Clerk/Auditor

GOVERNANCE

Bruce Adams, *Chair*, San Juan County Commissioner
Alma Adams, Iron County Commissioner
Kerry Gibson, Weber County Commissioner
Bret Millburn, Davis County Commissioner
Alden Orme, Juab County Sheriff
Mike Wilkins, Uintah County Clerk/Auditor

NOMINATING

Jim Eardley, *Chair*, Washington County Commissioner
Alma Adams, Iron County Commissioner
Karla Johnson, Kane County Clerk/Auditor
Bret Millburn, Davis County Commissioner
Mike Wilkins, Uintah County Clerk/Auditor

PERSONNEL

Brad Dee, *Chair*, Weber County HR Director
Dave Blackwell, Emery County Attorney
Bill Cox, Rich County Commissioner

COMMITTEES of the MEMBERS

LAW ENFORCEMENT

Alden Orme, *Chair*, Juab County Sheriff
Robert Dekker, Millard County Sheriff
Rick Eldredge, San Juan County Sheriff
Cameron Noel, Beaver County Sheriff
Lamont Smith, Kane County Sheriff

LITIGATION MANAGEMENT

David Blackwell, *Chair*, Emery County Attorney
Brock Belnap, Washington County Attorney
Jared Eldridge, Juab County Attorney
Dale Eyre, Sevier County Attorney
Neal Geddes, Davis County Deputy Attorney
Brody Kiesel, Sanpete County Attorney
Dave Wilson, Weber County Deputy Attorney

PERSONNEL

Brad Dee, *Chair*, Weber County Human Resources Director
Rose Barnes, Carbon County Personnel Director
Leslie Bishop, Iron County Human Resources
Scott Ericson, Box Elder County Personnel Director
Rhonda Gant, Kane County Human Resources Director
Lisa Henrie, Duchesne County Personnel Director
Crystal Holt, San Juan County HR/Personnel Director
Mary Huntington, Emery County Personnel Director
Kaela Jackson, Millard County Human Resources Director
Sherrie Larsen, Washington County Human Resources Director
Joe McKea, Uintah County Human Resources Director
Mel Miles, Davis County Personnel Director
David Rowley, Wasatch County Human Resources Director
Leighann Wheeler, Sevier County Human Resources Director

<u>Representing</u>	<u>Present Board</u>	<u>County</u>	<u>Office</u>
Second <i>Davis, Washington, Weber</i>	Bret Millburn Jim Eardley Kelly Gibson	Davis Washington Weber	Commissioner Commissioner Commissioner
Third <i>Box Elder, Iron, Uintah</i>	Mike Wilkins (2017)	Uintah	Clerk/Auditor
Fourth <i>Carbon, Duchesne, Millard, San Juan, Sanpete, Sevier, Wasatch</i>	Seth Oveson (2014)	Carbon	Clerk/Auditor
Fifth-Sixth <i>Beaver, Daggett, Emery, Garfield, Juab, Kane, Morgan, Piute, Rich, Wayne</i>	Bill Cox (2015)	Rich	Commissioner
At Large	Alma Adams (2017) Bruce Adams (2016) Karla Johnson (2015)	Iron San Juan Kane	Commissioner Commissioner Clerk/Auditor
Audit Law Enforcement Litigation Management Personnel	Alden Orme Dave Blackwell Brad Dee	Juab Emery Weber	Sheriff Attorney HR Director

Board Votes by Class

Second = 4

Third = 2

Fourth = 2

Fifth = 3

Sixth = 1

AFFIDAVIT OF BRUCE ADAMS

STATE OF UTAH)
 :ss
COUNTY OF SALT LAKE)

Bruce Adams, being duly sworn upon oath, deposes and says:

1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.

2. That the Affiant, on or about the 16 day of January, 2014, presided over a meeting of the Utah Counties Indemnity Pool Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.

3. That a quorum of the Utah Counties Indemnity Pool Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.

4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

FURTHER, Affiant saith not.

DATED this 16 day of January, 2014.

Bruce Adams

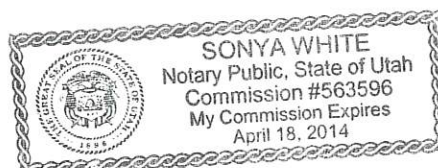
BRUCE ADAMS, President
Utah Counties Indemnity Pool

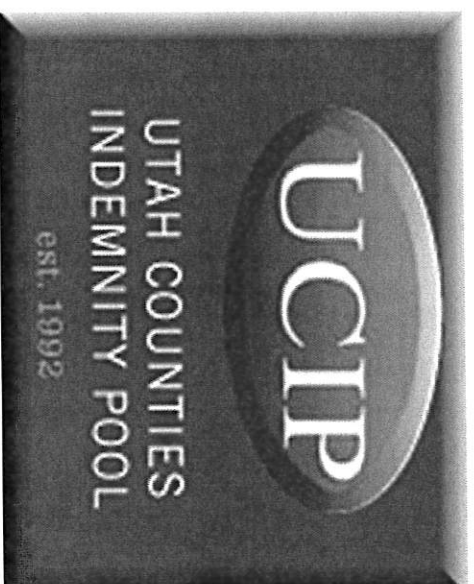
On the 16 day of January 2014, personally appeared before me Bruce Adams, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.

Sonya White

NOTARY PUBLIC

My Commission Expires: 4/18/14





Board of Trustees Meeting

January 16, 2014

Open Board Position

- Third Class County position was vacated.
- That Third Class County position will become an appointed Auditor position when the Sixth Interlocal Agreement becomes effective.
- Recommendation is to postpone appointment of position until Sixth Interlocal Agreement is effective.
- Board may call for candidates for Auditor position.



Non-County Membership

- Covered as part of County
 - County DBA another entity (Health Department)
 - Advisory Commissions (Fair Board, Library)
 - Other entity controlled by County for County benefit only (Municipal Building Authority)
 - Children's Justice Center
 - Service Area within County if County Governing Body is the Board, or Appoints a Board
 - Interlocal which does not create a separate entity



Non-County Membership

- Covered as separate UCIP Member
 - Interlocal & Multi-Jurisdictional Agencies
 - Local Districts, Service Districts
 - County Governing Body as Board
 - Board Appointed by County
 - Not if Separately Elected Board
 - Non-Profit agencies providing services to County*



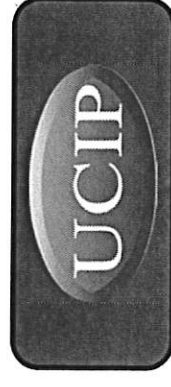
CEO Report

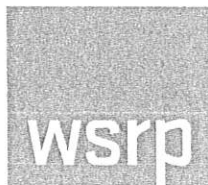
- CRL Renewal
- Cyber Liability Higher Limits (Davis)
- Sheriff's Association Meeting
- Legislative items
 - Pursuit Immunity
 - Liability for Multi-Jurisdictional Activities
 - Special Service Districts Liability
 - Bond issues
- UAC Conference Preparation



Board Calendar

- February 20th – UCIP Board Meeting, noon
- March 9-12 – AGRiP, San Francisco
- March 21st – UCIP Board Meeting, noon
- April 16-18 – UAC Conference, SLC
- April 18th – UCIP Board Meeting, SLC, noon





January 10, 2014

**Utah Counties Indemnity Pool
P.O. Box 95730
South Jordan, UT 84095**

We are pleased to confirm our understanding of the services we are to provide Utah Counties Indemnity Pool (UCIP) for the year ended December 31, 2013. We will audit the basic financial statements of UCIP as of and for the year ended December 31, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement UCIP's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to UCIP's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Contributions and Loss Development Information

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of UCIP and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of

WISAN, SMITH, RACKER & PRESCOTT, LLP

SALT LAKE - 155 North 400 West, Suite 400 · Salt Lake City, Utah · 84103 · 801.328.2011 (office) · 801.328.2015 (fax)
LAS VEGAS - 1820 East Warm Springs Road, Suite 112 · Las Vegas, Nevada · 89119 · 702.451.3099 (office) · 702.568.5030 (fax)

Licensed to Practice in Utah, Wyoming, Nevada, New Mexico and Idaho.
Member: American Institute, Utah Association and Nevada Society of Certified Public Accountants

internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that UCIP is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience' evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the financial position of UCIP and the changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations,

contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the

appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of UCIP's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Utah State Auditor's Office; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Wisan, Smith, Racker & Prescott, LLP (WSRP) and constitutes confidential information. However, pursuant to authority given by law or

Utah Counties Indemnity Pool

January 10, 2014

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regulation, we may be requested to make certain audit documentation available to the Utah State Auditor's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of WSRP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Utah State Auditor's Office. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately January 14, 2014 and to issue our reports no later than April 15, 2014. Douglas T. Myers is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$17,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered twice monthly as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to UCIP and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Wisan, Smith, Racker & Prescott, LLP

Very truly yours,

Wisan, Smith, Racker & Prescott, LLP



Utah Counties Indemnity Pool

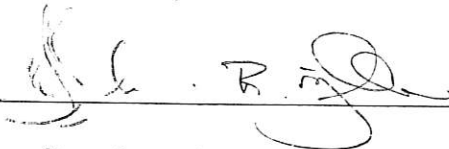
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RESPONSE:

This letter correctly sets forth the understanding of Utah Counties Indemnity Pool.

By: _____



Title: CHIEF OPERATING OFFICER

Date: 1.13.14



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System Review Report

To the Partners
Wisan, Smith, Racker & Prescott, LLP
and the Peer Review Committee of the Nevada Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Wisan, Smith, Racker & Prescott, LLP (the firm) in effect for the year ended April 30, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Wisan, Smith, Racker & Prescott, LLP in effect for the year ended April 30, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Wisan, Smith, Racker & Prescott, LLP has received a peer review rating of *pass*.

Perkins & Company PC

October 4, 2012

